MONARCH/BEST VALUE
E.D.L.P. CONTRACT GUIDELINES

- Primary focus should be on smaller chains, and large volume independents where a Private Label does not make sense, and a Forsyth/Peer Private Label is not available from their distributor. If a Private Label is available from their wholesaler, your first priority should be to utilize their brand as the E.D.L.P.

- Must ensure that we do not disrupt market pricing (drive retail price point below current E.D.L.P. prices in the market).

- Accounts must be a Level II or III Merchandising partner, no exceptions.

- Rate of payment per carton authorized ranges from $1.50 to $2.60 per carton and should be based on competitive activity/situation with the account. Payment will be made Quarterly by the Manager/Rep. responsible for the account via T.P.S., based on A.I.M. data.

- If account already has good volume/share on Doral and does not currently "play" in the lowest price category, Doral should remain your #1 priority. An E.D.L.P. agreement may not always be in RJR's best interest.

- Prior to making chain presentations, the following information should be submitted to me for AVP approval:

  - Chain name
  - # of Retail Outlets
  - Wholesale supplier & Private Labels carried (RJR & Competitive)
  - Proposed payment rate per carton
  - Which brand to be featured (Monarch or Best Value)
  - Advantage gained by RJR thru the use of the E.D.L.P. Agreement

- After presentation and acceptance by the chain/retailer, a copy of the signed E.D.L.P. agreement should be sent to me, and I will provide a copy to Jim Farmer in the Savings Business Unit.

- A copy of the E.D.L.P. Retail Pricing Agreement is attached for your use.

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